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FM AMEMBASSY JAKARTA
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INFO RUEHXS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS COLL
RUEAIIA/CIA WASHDC

UNCLAS JAKARTA 001030

DEPT FOR EAP/MTS
NSC FOR E.PHU

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [PGOV](#) [KCOR](#) [PREL](#) [ID](#)

SUBJECT: Indonesian President's in-law sentenced in corruption case

REF: A) Jakarta 986 - Pohan case proceedings;
B) Jakarta 219 - Pohan indicted;
C) 08 Jakarta 2177 - Pohan arrested;
D) 08 Jakarta 2037 - Pohan interrogated;
E) 08 Jakarta 2003 - Pohan named suspect

11. (SBU) The Anti-Corruption Court sentenced Aulia Pohan -- President Yudhoyono's son's father-in-law -- to 4 1/2 years on corruption charges on June 17. The court also sentenced three additional central bank deputy governors, bringing the total to nine public officials convicted in this central bank bribery scandal. President Yudhoyono has maintained his impartiality throughout his in-law's case, boosting his anti-corruption credentials. The Corruption Eradication Commission (KPK) is evaluating evidence for further prosecutions in this scandal, which could involve two current government ministers.

NINE CONVICTIONS IN CENTRAL BANK BRIBERY SCANDAL

12. (SBU) The Anti-Corruption Court sentenced former central bank deputy governor Aulia Pohan to 4 1/2 years in jail, six more months than the prosecution's request. The three other deputy governors received either 4 or 4 1/2 year sentences. One judge on the five-person panel offered a dissenting opinion on technical grounds, but the sentence will likely withstand Pohan's appeal. Pohan and the three other deputy governors were convicted of embezzling state funds and authorizing bribes to members of Parliament to pass legislation. In 2008, the Anti-Corruption Court sentenced former central bank governor Burhanuddin Abdullah to 5 1/2 years for his role in the bribery scandal, in addition to two other central bank directors. In January 2009, the Anti-Corruption Court sentenced two former members of Parliament to three and five year sentences for taking the bribes.

PRESIDENT REINFORCES ANTI-CORRUPTION COMMITMENT

13. (SBU) President Yudhoyono has publicly maintained from the outset that he would not interfere in his in-law's corruption case, which has earned him considerable praise. This case demonstrates President Yudhoyono's commitment to combating corruption and reinforces campaign messages that highlight his clean record. Press accounts of the June 17 conviction -- including a full front page spread in Indonesian language daily Koran Tempo -- focused praise more on the Corruption Eradication Commission (KPK), and pointed to more possible arrests. The Pohan case proceeded at a normal pace since the November 2008 arrest and contacts did not think that this sentencing three weeks before the presidential elections was politically motivated. The 4 1/2 year sentence is in line with average Anti-Corruption Court sentences.

MORE HIGH-LEVEL FIGURES TO FALL IN THIS SCANDAL?

14. (SBU) The KPK is evaluating evidence for further cases related to this central bank bribery case, according to a contact close to KPK leadership. The KPK has gathered additional evidence and now has more time and capacity to pursue new suspects after finishing the

Pohan case. Two current government ministers - M.S. Kaban (Forestry) and Paskah Suzetta (Development Planning) - served in Parliament on the commission that received bribes from the central bank in 2003. A convicted member of Parliament in this case has accused the two current ministers of receiving bribes, but they have yet to be named suspects in the case. Current Parliament Budget Commission Chairman Emir Moeis has also been questioned in the case, but not named a suspect.

15. (SBU) Aulia Pohan has also called for the arrest of Supreme Audit Board chairman Anwar Nasution, who was a central bank deputy governor at the time of the embezzlement and bribery. Nasution reported this case to the KPK in November 2006 and the KPK has questioned him further over the past year. However, Nasution appears to be safe from prosecution at this point, according to civil society contacts.

NORTH